

## Steering Committee Meeting – 11/20/2013

### Attendees

- Jimmy Jones
- Pam Rathbun
- Chuck Kurnik
- Suzanne Stelmasek
- William Newbold
- Tina Jayaweera
- Terry Fry
- Dick Spellman
- Lynn Roy
- Nicole Luckey
- Nancy Seidman
- Bill Miller
- Dan Violette
- Donald Gilligan
- Julie Michals
- M. Sami Khawaja
- Alexandra Rekkas
- Tome Eckman
- Mike Rufo
- Teri Lutz

### Roll call

- Chuck Kurnik – Comments from Steering Committee?
- Adoption updates? UMP was referenced in CPUC document – whole house protocol
- Would like comments from SC by Wed, November 27<sup>th</sup> o NTG protocol
- Dan Violette – Overview on where we are with each protocol
  - Chillers, CNC, RCx review ends 12/20/13
  - Net energy savings SC comments requested by 11/27/13
- If want to reference UMP website, request public URL from Chuck
- Stakeholder reviews are six weeks in length
- Estimating net energy savings chapter
  - Built o prior work, SEE Action Guidebook
  - Geared to practitioners
- Net impacts not unique to energy efficiency
- What would have happened in absence of energy efficiency resource investment?
- Approach – examine evaluation objectives, available information, value of information, strategies to consider, trends in the estimation of net savings
- Modifications to the final draft of NTG chapter
  - Changed some definitions back to SEE Action Guide to provide clarity
  - Price elasticity methods for producing net savings estimates
    - Received comments that this should be included in second draft
    - Applied to res lighting evaluations, focused o upstream programs
    - Added section, but couldn't find a place in the main body where it fit
    - Highlighted as an appendix, before bibliography
    - Relatively new method, not standard practice in industry
  - Received suggestions for additional references
    - Inserted them into the text and footnoted

- Many comments on first several paragraphs of chapter. Became complicated when trying to make all the suggested changes. Ended up putting the information elsewhere in the chapter.
- Added section on applicability of methods for estimating net savings factors – FR, SO, and ME
- Received many comments on survey section, incorporated most comments
  - Expanded the list of best practices
  - Added reference for example of study that used data from multiple sources (triangulation)
  - Replaced one example at end of section with an example from C that specifically addressed programmatic and non-programmatic factors on participants' decision
- Chuck Kurnik – Chapter of uses of net savings estimates in EE industry. Five uses evaluators generally agree upon. Doesn't get at attribution.
- DV – Attribution is key. Net savings are attributable to program. Only slight difference between SE Action doc and what we have.
- DV – Two questions for group. (1) Debate around common practice baselines. Decided that interest in this method was so high, that we should give it the same place in the chapter as the other methods. Does the group agree? (2) For those familiar with price elasticity approach, is it appropriate to put into an appendix?
- CK – Definition of common practice baseline?
- DV – Go out and see what is being done in industry now and set that as the baseline. If the common practice is buying high efficiency motors, for example, that should be baseline.
- Mike Rufo – Good job handling topic. It's a complicated issue. The effect on probability on net is affected by how high or low you set common practice baseline. Will affect likelihood of participants being freeriders.
- DV – Mean of what people are purchasing. Did not extend to the logic you are presenting. Saying the mean value is common practice baseline. Did not get into taking a certain percentile above mean. May be over-counting energy savings.
- MR – In CA, mandate to use CP baseline, but let ambiguity. Can use CP baseline to clip lowest distribution. When you see baselines that no one is doing, can clip out least efficient?
- Bill Miller – Footnotes?
- DV – Definitely can add more about CP baseline. Don't have this information in a footnote.
- DV – Developing standard practice baseline is a pretty interesting task in Northwest. Tom created measure-specific database that helps apply this in the Northwest.
- Tom Eckman – Why develop programs? To change market.
- BM – Do you have what you need to capture high points of discussion in final?
- DV – Yes, may call Tom and Mike for additional discussion. Would hate to put hurdle in front of program where we would need a high level of understanding of the market to design programs.
- TE – Tendency to have smaller NTG adjustment in end game. Adjustments tend to be smaller when accounting for some level of activity in baseline. Advantage from regulatory standpoint.

- MR – Need to be careful with net methodology, don't double-count. When doing custom work, have to check case-by-case. NTG method has to be design with that in mind.
- DV – CP baseline method can mean different things in different states.
- BM – What is the structure that a practitioner would need to follow?
- DV – didn't reference anything in CA, maybe I should. Mike can help with references? Maybe should mention industry practice baseline.
- MR – Flow diagram I developed about what baseline you get to depending on what the situation is.
- Bill Newbold – We have a deemed measures database in MI. Has standard practice baseline now. Would be using second baseline over first baseline. Confusing.
- DV – Tried to cover in chapter. Gross savings estimates are different themselves. Practice that comes up with deemed savings values which gives gross savings starting with, careful that doesn't include factors we would consider to be net savings. Through practice of estimating net savings come to reasonably good approach for doing that. Have addressed gross and net impacts in draft. Tina may go back to make sure we captured that accurately.
- DV – CP baseline widely used in Europe. Implicitly use market baseline. Found that CP baselines weren't very illustrative of people who were actually purchasing the equipment. Should still employ techniques used in chapter.
- DV – Question to group about whether we addressed confidence and precision in an appropriate fashion?
- Elizabeth Titus – More caveats and coverage of concerns than in previous draft. Would be helpful to raise level of awareness of this issue. Don't know where to look to find them. What does UMP say on this topic?
- DV – Need way to put in table of contents.
- – More difficult to report on sample error because it is a counterfactual.
- DV – We have tried to do that in studies.
- – Still statistical question of counterfactual. Measurement error.
- Pam Rathbun – When discuss used of net savings, number of uses for which qualitative kinds of information is valuable. Helps make the point that some these methods, although not precise, can provide qualitative insights that have value.
- DV – Investing real dollars in energy efficiency. Very important to estimate net savings as best we can. Only way to find out if we are earning return we are expected. True for policies in agriculture. References to other fields. A lot of times end up with qualitative data. Estimating net savings is very important. Take into account value of estimation relative to cost. Can't justify the investment that we're making. Point in the draft, gross impacts and savings can be used in some places where net savings are used now.
- CK – 1 minutes left. Any other questions?
- PR – No one commented on price elasticity and the appendix.
- DV – Sami sent communication on that. Pam and I considered couple of alternatives and decided that the appendix was the right way to put it.
- Tina Jayaweera – Sami had to drop off, but I will follow up with him

- MR – thought the chapter might miss the opportunity to cover macro consumption.
- DV – I've seen the dial turn and it has come up in a lot of different states, why given so much emphasis.
- E – Might have expected to see under Section 4.5 trends in estimating net savings, method not extensively applied now, but is experimented with.
- DV – Can see moving the lengthy part to an appendix. I like the method, but I find the range of results to be all over the place.
- E – Interest on the east coast. More experience with it in the next couple of years. Maybe deserves brief mention and more detail in the appendix.
- DV – Susanne from ICC sent comments this morning. What does she think of this conversation?
- Suzanne Stelmasek – Helped me understand who the audience is. My concern before listening to this conversation was about how different the information regulators want differs from what utilities want.
- DV – Would be great to extend this to a regulatory issues chapter. What has and has not worked across multitude uses of the method. Maybe a different project.
- S – Agree. Great to know different options and where they should be applied.
- E – Julie agrees with that comment, we at NEEP are trying to figure out how we can build on SE Action chapter.
- MR – Is it possible to do summary table of strengths and weaknesses?
- DV – We didn't try to do that. In every one of methods, there's a best practices application. Tried to provide better guidance in conclusions of third draft.